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**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION**

**In re:**

**PG&E CORPORATION,**

**- and -**

**PACIFIC GAS AND ELECTRIC  
COMPANY,**

**Debtors.**

- ☐ Affects PG&E Corporation  
☐ Affects Pacific Gas and Electric Company  
☒ Affects both Debtors

*\* All papers shall be filed in the Lead Case, No. 19-30088 (DM).*

Bankruptcy Case No. 19-30088 (DM)

Chapter 11

(Lead Case) (Jointly Administered)

**REORGANIZED DEBTORS' EIGHTY-  
EIGHTH OMNIBUS OBJECTION TO  
CLAIMS (HINKLEY NO LIABILITY  
CLAIMS)**

**Response Deadline:**

**July 14, 2021, 4:00 p.m. (PT)**

**Hearing Information If Timely Response Made:**

Date: July 28, 2021

Time: 10:00 a.m. (Pacific Time)

Place: (Telephonic Appearances Only)

United States Bankruptcy Court

Courtroom 17, 16th Floor

San Francisco, CA 94102

1 **TO: (A) THE HONORABLE DENNIS MONTALI, UNITED STATES BANKRUPTCY**  
2 **JUDGE; (B) THE OFFICE OF THE UNITED STATES TRUSTEE; (C) THE AFFECTED**  
3 **CLAIMANTS; AND (D) OTHER PARTIES ENTITLED TO NOTICE:**

4 PG&E Corporation (“**PG&E Corp.**”) and Pacific Gas and Electric Company (the “**Utility**”), as  
5 debtors and reorganized debtors (collectively, “**PG&E**” or the “**Debtors**” or as reorganized pursuant to  
6 the Plan (as defined below), the “**Reorganized Debtors**”) in the above-captioned chapter 11 cases (the  
7 “**Chapter 11 Cases**”) hereby submit this Eighty-Eighth Omnibus Objection (the “**Objection**”) to the  
8 Proofs of Claim (as defined below) identified in the column headed “Claims To Be Disallowed and  
9 Expunged” on **Exhibit 1** annexed hereto.

## 10 **I. JURISDICTION**

11 This Court has jurisdiction over this Objection under 28 U.S.C. §§ 157 and 1334; the *Order*  
12 *Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order 24 (N.D. Cal.); and  
13 Rule 5011-1(a) of the Bankruptcy Local Rules for the United States District Court for the Northern  
14 District of California (the “**Bankruptcy Local Rules**”). This matter is a core proceeding pursuant to 28  
15 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The  
16 statutory predicates for the relief requested are section 502 of Title 11 of the United States Code (the  
17 “**Bankruptcy Code**”) and Rule 3007 of the Federal Rules of Bankruptcy Procedure (collectively, the  
18 “**Bankruptcy Rules**”).

## 19 **II. BACKGROUND**

20 On January 29, 2019 (the “**Petition Date**”), the Debtors commenced with the Court voluntary  
21 cases under chapter 11 of the Bankruptcy Code. Prior to the Effective Date (as defined below), the  
22 Debtors continued to operate their businesses and manage their properties as debtors in possession  
23 pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner was appointed  
24 in either of the Chapter 11 Cases. The Chapter 11 Cases are being jointly administered for procedural  
25 purposes only pursuant to Bankruptcy Rule 1015(b).

26 Additional information regarding the circumstances leading to the commencement of the Chapter  
27 11 Cases and information regarding the Debtors’ businesses and capital structure is set forth in the  
28 *Amended Declaration of Jason P. Wells in Support of the First Day Motions and Related Relief* [Docket  
No. 263].

1 On July 1, 2019, the Court entered the *Order Pursuant to 11 U.S.C. §§ 502(b)(9) and 105(a),*  
2 *Fed. R. Bankr. P. 2002, 3003(c)(3), 5005, and 9007, and L.B.R. 3003-1 (I) Establishing Deadline for*  
3 *Filing Proofs of Claim, (II) Establishing the Form and Manner of Notice Thereof, and (III) Approving*  
4 *Procedures for Providing Notice of Bar Date and Other Information to All Creditors and Potential*  
5 *Creditors* [Docket No. 2806] (the “**Bar Date Order**”). The Bar Date Order set the deadline to file all  
6 proofs of claim (each, a “**Proof of Claim**”) in respect of any prepetition claim (as defined in section  
7 101(5) of the Bankruptcy Code), including all claims of Fire Claimants (as defined therein), Wildfire  
8 Subrogation Claimants (as defined therein), Governmental Units (as defined in section 101(27) of the  
9 Bankruptcy Code), and Customers, and for the avoidance of doubt, including all secured claims and  
10 priority claims, against either of the Debtors as October 21, 2019 at 5:00 p.m. Pacific Time (the “**Bar**  
11 **Date**”). The Bar Date later was extended solely with respect to unfiled, non-governmental Fire  
12 Claimants to December 31, 2019 [Docket No. 4672]<sup>1</sup>; and subsequently with respect to certain claimants  
13 that purchased or acquired the Debtors’ publicly held debt and equity securities and may have claims  
14 against the Debtors for rescission or damages to April 16, 2020 [Docket No. 5943].

15 By Order dated June 20, 2020 [Dkt. No. 8053], the Bankruptcy Court confirmed the *Debtors’*  
16 *and Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization Dated June 19, 2020* (as may be  
17 further modified, amended or supplemented from time to time, and together with any exhibits or  
18 scheduled thereto, the “**Plan**”). The Effective Date of the Plan occurred on July 1, 2020 (the “**Effective**  
19 **Date**”). See Dkt. No. 8252.

### 20 **III. RELIEF REQUESTED**

21 The Reorganized Debtors file this Objection, pursuant to section 502 of the Bankruptcy Code,  
22 Bankruptcy Rule 3007(d)(5), Bankruptcy Local Rule 3007-1, and the *Order Approving (A) Procedures*  
23 *for Filing Omnibus Objections to Claims and (B) the Form and Manner of the Notice of Omnibus*  
24 *Objections*, dated June 30, 2020 [Docket No. 8228] (the “**Omnibus Objections Procedures Order**”),  
25 seeking entry of an order disallowing and/or expunging Proofs of Claim for which the Reorganized  
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27 <sup>1</sup> The claims of Fire Claimants will be administered through the Fire Victim Trust and the claims of  
28 Wildfire Subrogation Claimants through the Subrogation Wildfire Trust in accordance with the Plan.

1 Debtors are not liable (the “**Hinkley No Liability Claims**”). The Hinkley No Liability Claims are  
2 identified on **Exhibit 1**, in the columns headed “Claims To Be Disallowed and Expunged.”

3 The holders of the Hinkley No Liability Claims allege, under 42 U.S.C. § 1983, injuries stemming  
4 from alleged exposure to elevated levels of toxic chemicals in Hinkley, California (the “**Hinkley**  
5 **Allegations**”). Prior to the Petition Date, the United States District Court of the Central District of  
6 California dismissed these claims. The Claimants then secured relief from the automatic stay to finish  
7 briefing their appeals to the United States Court of Appeals for the Ninth Circuit.<sup>2</sup> The Ninth Circuit  
8 thereafter dismissed all of the appeals. The deadlines for *en banc* review of the claims in the Ninth  
9 Circuit, and for any petitions for *certiorari* in the United States Supreme Court, have all passed.

#### 10 **IV. ARGUMENT**

##### 11 **A. The Hinkley No Liability Claims Should be Disallowed and Expunged**

12 The Omnibus Objections Procedures Order supplemented Bankruptcy Rule 3007(d) to permit  
13 the Reorganized Debtors to file objections to more than one claim if “[t]he claims seek recovery of  
14 amounts for which the Debtors are not liable.” Omnibus Objections Procedures Order, ¶2(C)(iii).  
15 Bankruptcy Rule 3007(e) requires that an omnibus objection must list the claimants alphabetically and  
16 by cross-reference to claim numbers. The Reorganized Debtors and their professionals have reviewed  
17 the Hinkley No Liability Claims identified on **Exhibit 1** and have confirmed that all relate to the Hinkley  
18 Allegations and all are procedurally similarly situated—in other words, the trial and appellate courts  
19 have dismissed the Claims, and the opportunity for further review has passed. Accordingly, the  
20 Reorganized Debtors do not bear any liability for the Hinkley No Liability Claims.

21 Each of the Claimants is listed alphabetically, and the claim number and amount are identified  
22 in accordance with Bankruptcy Rule 3007(e). Furthermore, in accordance with the Omnibus Objections  
23 Procedures Order, the Reorganized Debtors have sent individualized notices to the holders of each of  
24 the Hinkley No Liability Claims.

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26 <sup>2</sup> Three holders of Hinkley No Liability Claims passed away before the Petition Date (the “**Deceased**  
27 **Claimants**”). Although Proofs of Claim were filed by their apparent successors or representatives, no  
28 party sought to substitute into the underlying litigation as a successor or representative of the Deceased  
Claimants, nor did any party seek or obtain relief from the automatic stay to have the claims of the  
Deceased Claimants addressed by the Ninth Circuit.

1           **B.       The Claimants Bear the Burden of Proof**

2           A filed proof of claim is “deemed allowed, unless a party in interest . . . objects.” 11 U.S.C.  
3 § 502(a).<sup>3</sup> Section 502(b)(1) of the Bankruptcy Code, however, provides in relevant part that a claim  
4 may not be allowed if “such claim is unenforceable against the debtor and property of the debtor, under  
5 any agreement or applicable law.” 11 U.S.C. § 502(b)(1). Once the objector raises “facts tending to  
6 defeat the claim by probative force equal to that of the allegations of the proofs of claim themselves,”  
7 *Wright v. Holm (In re Holm)*, 931 F.2d 620, 623 (9th Cir. 1991), quoting 3 L. King, *Collier on*  
8 *Bankruptcy* § 502.02 at 502-22 (15th ed. 1991), then “the burden reverts to the claimant to prove the  
9 validity of the claim by a preponderance of the evidence,” *Ashford v. Consolidated Pioneer Mortgage*  
10 *(In re Consolidated Pioneer Mortgage)*, 178 B.R. 222, 226 (B.A.P. 9th Cir. 1995) (quoting *In re*  
11 *Allegheny Int’l, Inc.*, 954 F.2d 167, 173-74 (3d Cir. 1992)), *aff’d without opinion* 91 F.3d 151 (9th Cir.  
12 1996). “[T]he ultimate burden of persuasion is always on the claimant.” *Holm*, 931 F.2d at 623 (quoting  
13 King, *Collier on Bankruptcy*); *see also Lundell v. Anchor Constr. Specialists, Inc.*, 223 F.3d 1035, 1039  
14 (9th Cir. 2000), *Spencer v. Pugh (In re Pugh)*; 157 B.R. 898, 901 (B.A.P. 9th Cir. 1993); *In re Fidelity*  
15 *Holding Co.*, 837 F.2d 696, 698 (5th Cir. 1988).

16           As set forth above, the Reorganized Debtors submit that the Hinkley No Liability Claims do not  
17 represent a liability of the Reorganized Debtors and, therefore, should be disallowed and expunged in  
18 their entirety. If any Claimant believes that a Hinkley No Liability Claim is valid, it must present  
19 affirmative evidence demonstrating the validity of that claim.

20           **V.       RESERVATION OF RIGHTS**

21           The Reorganized Debtors hereby reserve the right to object, as applicable, in the future to any of  
22 the Proofs of Claim listed in this Objection on any ground, and to amend, modify, or supplement this  
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24           <sup>3</sup> Upon the Reorganized Debtors’ request, the deadline under Section 7.1 of the Plan for the Reorganized  
25 Debtors to bring objections to Claims initially was extended through and including June 26, 2021 (except  
26 for Claims of the United States, which deadline was extended to March 31, 2021) [Docket No. 9563].  
27 That deadline has been further extended through December 23, 2021, except for Claims of the California  
28 Department of Forestry and Fire Protection, which deadline was extended to September 30, 2021,  
without prejudice to the right of the Reorganized Debtors seek further extensions thereof [Docket No.  
10494]. The deadline with respect to Claims of the United States has been further extended by stipulation  
and order [Docket Nos. 10459, 10463].

1 Objection to the extent an objection to a claim is not granted, and to file other objections to any proofs  
2 of claims filed in these cases, including, without limitation, objections as to the amounts asserted therein,  
3 or any other claims (filed or not) against the Debtors, regardless of whether such claims are subject to  
4 this Objection. A separate notice and hearing will be scheduled for any such objections. Should the  
5 grounds of objection specified herein be overruled, wholly or in part, the Reorganized Debtors reserve  
6 the right to object to the Hinkley No Liability Claims on any other grounds that the Reorganized Debtors  
7 may discover or deem appropriate.

8 **VI. NOTICE**

9 Notice of this Objection will be provided to (i) holders of the Hinkley No Liability Claims; (ii)  
10 the Office of the U.S. Trustee for Region 17 (Attn: Andrew R. Vara, Esq. and Timothy Laffredi, Esq.);  
11 (iii) all counsel and parties receiving electronic notice through the Court's electronic case filing system;  
12 and (iv) those persons who have formally appeared in these Chapter 11 Cases and requested service  
13 pursuant to Bankruptcy Rule 2002. The Reorganized Debtors respectfully submit that no further notice  
14 is required. No previous request for the relief sought herein has been made by the Reorganized Debtors  
15 to this or any other Court.

16 WHEREFORE the Reorganized Debtors respectfully request entry of an order granting (i) the  
17 relief requested herein as a sound exercise of the Reorganized Debtors' business judgment and in the  
18 best interests of their estates, creditors, shareholders, and all other parties interests, and (ii) such other  
19 and further relief as the Court may deem just and appropriate.

20 Dated: June 17, 2021

**KELLER BENVENUTTI KIM LLP**

21 By: /s/ Thomas B. Rupp  
22 Thomas B. Rupp

23 *Attorneys for Debtors and Reorganized Debtors*  
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